

HOUSE BILL 3183
By Curtiss

AN ACT to amend Tennessee Code Annotated, Title 50, Chapter 6 and Title 56, relative to workers compensation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-6-405(b)(2), is amended by deleting the subdivision in its entirety, and by substituting instead the following language:

(2) Evidence of the employer's financial ability to pay all claims that may arise against the employer in the form of an annual certified financial statement, including a statement of assets and liabilities and a statement of profit and loss, to be filed no later than sixty (60) days after the company's immediately preceding fiscal year. Such financial statements shall include an actuarially certified, detailed accounting for reserves for losses outstanding incurred in connection with workers' compensation self-insurance. Such financial statement shall be kept confidential by the commissioner of commerce and insurance and shall not be construed to be a public record pursuant to title 10, chapter 7;

SECTION 2. Tennessee Code Annotated, Title 56, Chapter 6, is amended by adding the following language as a new part 9.

56-6-901.

(a) No person shall act as, or hold such person out to be, a third party administrator for an employer who is self-insured under the provisions of title 50, chapter 6, part 4, unless the person holds a license as a third party administrator for such purposes issued by the commissioner.

(b) Failure to hold such a license shall subject the third party administrator to a fine of not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500). Such license shall be issued by the commissioner to such a third party

administrator unless the commissioner, after due notice and hearing, shall have determined that the administrator is not competent, trustworthy, financially responsible or of good personal and business reputation, or has had a previous application for any license which is issued by the commissioner pursuant to title 56 denied for cause within five (5) years.

56-6-902.

(a) All applications for a third party administrator under the provisions of this part shall be accompanied by a fee of one hundred dollars (\$100). The license is renewable annually on the date of issue. A request for renewal must be accompanied by a renewal fee of fifty dollars (\$50.00). Prior to the issuance or renewal of the license of such third party administrator, a fidelity bond in a form and amount as determined by the commissioner shall be obtained by the licensee.

(b) After notice and hearing, the commissioner may revoke such license or fine such administrator not more than five hundred dollars (\$500), or both, or the commissioner may suspend such license, or fine such administrator not more than five hundred dollars (\$500), or both, upon finding that either the administrator violated any of the requirements of this part, or the administrator is not competent, trustworthy, financially responsible, or of good personal and business reputation.

56-6-903. The commissioner is authorized to promulgate rules and regulations in accordance with the Uniform Administrative Procedures Act, title 4, chapter 5, to implement the provisions of this part.

SECTION 3. This act shall take effect July 1, 2004, the public welfare requiring it.